

Parkfairfax Condominium Unit Owners Association

Alexandria, VA



CAPITAL RESERVE STUDY & FINANCIAL ANALYSIS

2020

Final Analysis
Executive Summary

Date: 12/21/2020

DMA Project #1909015

Prepared for: Parkfairfax Condominium Unit Owners Association

Managed by: Parkfairfax UOA

Contact

Mark Miller CMCA AMS General Manager

mmiller@parkfairfax.info

(703) 998-6315

3360 Gunston Road

Alexandria, VA 22302

Prepared by: Douglas Greene, NCARB, RS

DMA Reserves, Inc.

2302 E Cary Street

Richmond, Virginia 23223

804.644.6404

DMAreserves.com



Parkfairfax Condominium Unit Owners Association

Executive Summary

On behalf of DMA Reserves, Inc., I am pleased to provide you with this Capital Reserve Analysis for Parkfairfax Condominium Unit Owners Association. This report and the accompanying data reports have been prepared in NAVIGATOR™, DMA's proprietary database reserve analysis software. Our goal is to create an ongoing useful tool for evaluating your reserves and your funding plan quickly and more responsively to ever-changing conditions in the real world.

Complementing our working sessions with management and community leaders, this tool will give your association greater power, knowledge and control over the future of your community's plan for financial stability. The NAVIGATOR™ system is a dynamic resource that we can use to revise, adjust and re-analyze your reserve account and your funding options at any time. We hope that you will find this information useful in your budget planning and oversight over the next several years.

This study should be reviewed annually and updated every five (5) years at a minimum. The annual review will allow you to make any adjustments to the funding contribution, to adjust the study based on any actual capital component replacements that you make during that time, your actual funding, current inflation rates, and interest rates. The five-year update will provide for re-inspection of the components, evaluate the condition of the components and their remaining useful life, update the inventory of components, update the unit costs, update the inflation, interest and threshold factors and revise the funding model as needed.

To maximize the value of this tool, you should keep a record of each capital replacement expenditure made by the community. We recommend that you keep copies of all purchase orders, invoices, work contracts, specifications, warranty information, etc. that can provide accurate information on your replacement history, costs and future replacement expectations for each component. Periodic updating of this report with recorded reserve expenditures and dates will create an actual history of your community's reserve activity, which is the best predictor of future needs.

Thank you again for the opportunity to provide you with this analysis. We look forward to working with you in the future.

Douglas L. Greene RS, NCARB
President
DMA Reserves Inc.

Parkfairfax Condominium Unit Owners Association

Community Synopsis

Association Name: Parkfairfax Condominium Unit Owners Association
Community Location / Address: 3360 Gunston Road
 Alexandria, VA 22302
Community Size (Number of Units): 1684
Unit Types: Condominium
Year(s) constructed: 1943
Year converted: 1978
Management: Parkfairfax UOA
Represented by: Mark Miller, CMCA AMS
Telephone: (703) 998-6315
E-mail: mmiller@parkfairfax.info
Study Level: Capital Reserve Analysis, Level II

Financial Summary

Fiscal Year: 6/1/2019 to 5/31/2020 Current Fiscal Year Name: 2020 All Values are for Study Year: 2020 Study Period: 30 Years

	Reserve Account Starting Balance	Avg Earnings Rate	Budgeted Contribution
Parkfairfax Condominium Unit Owners Association	\$3,397,188	0.00%	\$2,701,360

Financial Information Source: the 5/31/2019 balance sheet, approved 2020 budget and financial statements supplied by Mark Miller, General Manager.

Parkfairfax Condominium Unit Owners Association

Reserve Study History

Previous Study		This Analysis	
Study Date:	4/13/2017	Study Date:	12/21/2020
Prepared by:	Reserve Advisors	Prepared by:	DMA Reserves, Inc.
Analysis Method:	Cash Flow	Analysis Method:	Cash Flow
Total Number of Components Included:	95	Total Number of Components Included:	2006
Est. Single Replacement Value of All Components:	\$97,682,942	Est. Single Replacement Value of All Components:	\$53,755,640
Study Date Balance of Reserve Account:	\$5,962,453	Study Date Balance of Reserve Account:	\$3,397,188
Study Period (Years):	30	Study Period (Years):	30
Did the analysis incorporate an inflation projection?	Yes	Did the analysis incorporate an inflation projection?	Yes
If "yes," what inflation factor was used?	1.80%	If "yes," what inflation factor was used?	2.29%
Is Investment Income from Reserves put back into the Account?	Yes	Is Investment Income from Reserves put back into the Account?	Yes
Recommended transfer to Reserves – Second Year:	\$2,647,764	Recommended transfer to Reserves – Second Year:	\$2,971,496
Initial Transfer Change Rate (+/-)		Initial Transfer Change Rate (+/-)	2.90%

Comments

The main difference in the two analyses is the number of components identified and tracked. This study includes a greater level of detail and not necessarily an increase in the actual number of assets on site. The purpose of the additional detail is to allow tracking of reserve projects and updating of the analysis with actual updates of projects completed and revised schedules for other listed projects. Along with updates in cost estimates, the projected inflation rate and the projected earnings rate, this study can adjust the funding projections at any time going forward.

Personnel and Project Schedule

This study was prepared under the direct supervision of Douglas Greene, NCARB, RS, a Reserve Specialist certified by the Community Association Institute, a registered Architect in the states of Virginia, Maryland and North Carolina and a member of the National Council of Architectural Registration Boards (NCARB). Mr. Greene holds a Bachelor of Architecture degree from Kent State University

The field survey, inventory, and condition assessment was conducted by Douglas Greene, NCARB, RS, a Reserve Specialist and registered Architect in the states of Virginia, Maryland and North Carolina, and Rick Weinberg, RA, a Reserve Analyst and a Registered Architect in Washington, DC.

Parkfairfax Condominium Unit Owners Association

DMA was awarded the contract on 9/30/2019 and conducted site visits at the property on 1/14/2020, 1/15/2020, 1/16/2020 and 1/17/2020. The first draft of the reserve study was transmitted to Parkfairfax on 3/3/2020. The working session was held with management and the board on 7/29/20. A second draft of the study, including changes requested by the board, was transmitted to Parfairfax on 9/21/2020. The final 2020 publication of the study, including additional changes from reviews with management, was issued on 12/21/2020.

Physical Analysis

Douglas Greene and Richard Weinberg conducted full day site visits to all common area facilities and amenities and every residential building in Parkfairfax on four consecutive days in January. Specific observations about components are included in the Schedule of Components. Photographs were taken at the site and a digital folder of these is being transmitted to Parkfairfax for your historical record.

In addition to the site visits, the following information was provided to DMA by Parkfairfax and reviewed as part of the physical analysis:

1. Recorded Declaration for Parkfairfax Condominium, including exhibits, 2/7/1977
2. Retyped Declaration for Parkfairfax Condominium (without exhibits), 2/7/1977
3. Bylaws of Parkfairfax Condominium (Exhibit C to the Declaration).
4. Reserve Advisors Insurance Appraisal, 12/8/2015
5. Financial Statements for 5/31/2018 and 5/31/2019 and Audit Report for 5/31/2019
6. Final budget for FY 20 and Draft budget for FY21
7. Investment reports for May through December 2019
8. Reserve Expenditure reports for FY 17, 18 and 19.
9. Vehicle Log 2/20/2019
10. Previous reserve studies for 2012 and 2017
11. Parkfairfax utility maps, parking maps, tot lot map, and general property map
12. Residential floor plans by building type, residential building dimensions by building type and address list with building types
13. Main office floor plans and fitness center floor plans
14. Management spreadsheet logs with building upgrades

Estimated replacement costs and estimated useful lives are based primarily on Parkfairfax historical data, supplemented with DMA estimates from our current cost and useful life database. Condition comments are based on DMA site observations.

The draft version of this study included a program for full replacement of all residential building roofs with composite faux tile roofs, over an extended schedule. This was based on a product that management was looking at as a more cost effective alternative to the actual clay tile that has been in used since these buildings were originally constructed. DMA Reserves conducted a live online working session with management and the Board of Directors on Wednesday, July 29th, 2020. At that session the Board advised management and DMA that the study should include only roof repairs and re-roofing of the residential buildings with the natural clay tile which is still available from the manufacturer. The use of the alternate faux tile will not be pursued and has been removed from the study.

In addition to this revision, several residential building components, which had been itemized by building in the draft study were changed to annual allowances based on current management replacement programs and budgeting.

Financial Analysis

Parkfairfax Condominium Unit Owners Association

Financial Analysis

DMA uses the widely accepted Cash Flow funding method, including a minimum reserve account threshold balance to calculate the recommended funding for your reserve account. This methodology is accepted and fully described in the Virginia Common Interest Community Reserve Study Guidelines.

The goal of the Cash Flow funding plan is to make the most efficient use of your reserve funds by allowing the account balance to fluctuate up and down above a minimum balance over the life of the study while ensuring that all components are fully funded when they are scheduled to be replaced. This minimum balance could be set at zero dollars (\$0.00), which is called "baseline" funding. The more widely accepted approach is to set a "threshold" balance at some amount above zero, in order to provide a buffer for the variations in actual expenditures that will inevitably occur over the life of the study. DMA typically uses a percentage of the total one-time replacement costs for all reserve components in the study to establish this amount. It is important to note that this is an arbitrary number designed to provide a reasonable buffer at the bottom of the funding level and no specific amount is prescribed by Virginia law. This threshold can be adjusted to a level desired by the board. The selected amount is incorporated into the study as a bottom limit for the cash flow in the account. Typically we allow this amount to increase every year at the rate of inflation to maintain a consistent value relative to the changing value of the dollar.

Three global parameters of our Cash Flow funding plan are (1) a projected inflation rate, (2) a projected reserve account earnings rate and (3) a project location cost index.

1. The inflation rate used for future component replacement costs is based on the most recent cost index for residential construction as determined by Engineering News Record, a widely respected construction industry publication which has records dating back to 1908.
2. The reserve account earnings rate is an average of all rates of return on funds held in money market bank accounts and any investment accounts. This number is usually provided to DMA by the client, or can be estimated by DMA based on typical rates of return in the current financial markets. This should only be used if the interest and investment income from these funds are put back into the reserve account. If that is not the case, DMA will list this income rate as 0%.
3. DMA cost estimating is based on our construction cost database which includes costs primarily in the Richmond, VA market, where our home office is located, but which can come from any source in any location. These costs are tagged with a cost location index as determined by R. S. Means Cost Data. These costs are then adjusted to each project location with a project location cost index. These indices are continually updated in R. S. Means national construction cost database maintained by The Gordian Group, a leading national construction cost analytics company.

All of these parameters are updated any time DMA updates your study.

Parkfairfax Condominium Unit Owners Association

The following graph is a pictorial representation of the cash flow funding model used for this analysis. It illustrates the projected reserve account balance in each of the next 30 years (green bars) as it is impacted by the projected reserve expenditures over the same period (red bars). The yellow line is the designated threshold or "floor" of the reserve account - a line that allows the plan to keep the account balance equal to or greater than in the lowest balance year(s). Each of the next three pages show the entire 30-year plan in graph form, with highlighted income and expenditure amounts for individual 10-year groups below the graph.

These pages are followed by an Assessment Allocation Model. This model shows the recommended reserve assessment for the first four years of the study, paired with an assumed operating budget assessment that increases annually only based on the impact of inflation based on the current Consumer Price Index (a different rate calculation from the construction cost index). This model shows the combined impact of both budgets on the overall assessment for the community, and also shows that annual percentage of the total assessment dedicated to reserves as well as the annual combined potential increase in the overall assessment to achieve both budgets. This is a theoretical model intended only to put the reserve funding plan in the context of the overall community budget and is not intended to guide any decisions made by the board about the operating budget.

The final pages show a summary of total reserve replacement costs in current dollars as developed in the study, and a pie chart breakdown of the relative size of different types of reserve costs relative to the total community. Following these are standard disclosures relative to DMA's work on this project.

The NAVIGATOR™ funding model can be adjusted to respond to varying inflation rates, interest rates, actual adjusted account balances, variations in reserve expenditures and project schedules based on your community's actual experience, and in response to changes in priorities. These adjustments are typically performed in real time during a live working session, where the participants can see the impact of any and all changes on the account, and determine how to respond to them.

This Reserve Study consists of four (4) reports issued in separate pdf files. This first report, which you are reading is the Executive Summary and Financial Analysis. The other supplemental reports include a Summary Schedule of Components, Detailed Schedule of Components and Expenditures by Year.

The Summary Schedule of Components includes quantities, locations, lifecycle projections, and estimated replacement costs for all components. All cost projections are in current values.

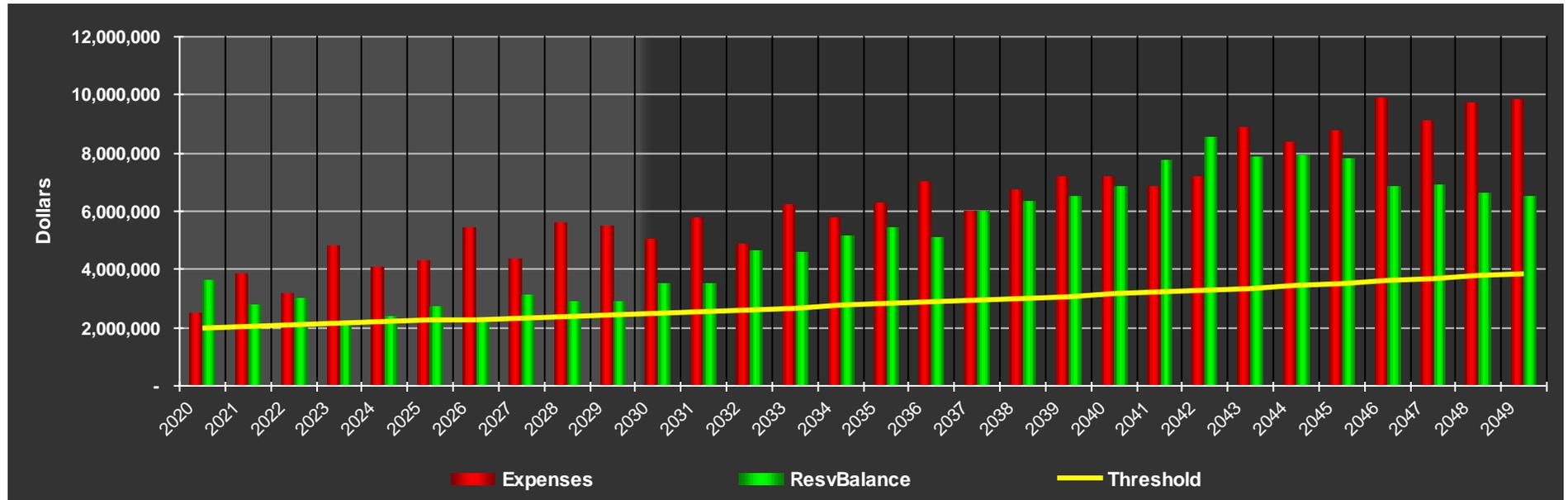
The Detailed Schedule of Components includes the information in the summary schedule plus more information on the components including comments and future replacement years along with future replacement values based on the inflation rate included in the study.

The Expenditures by Year report includes all budgeted expenditures per year in total and by individual component. All costs in this report are in future values based on the inflation rate used in the study.

he NAVIGATOR™ system can produce many other types of reports. If you are interested in focusing in on other aspects of this analysis, please contact DMA to see if a report that you would like can be produced.

Parkfairfax Condominium Unit Owners Association

Reserve Funding NAVIGATOR™



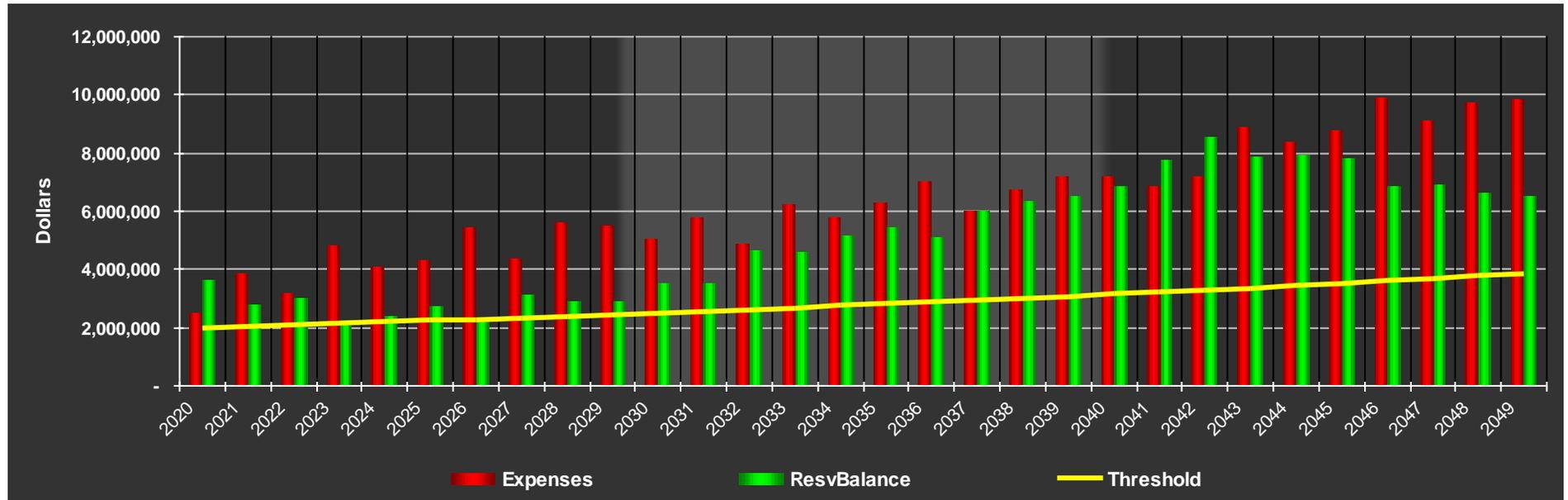
Cash Flow Summary

Years 1 - 10	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Balance	\$3,397,188	\$3,634,155	\$2,760,971	\$3,015,371	\$2,144,327	\$2,405,266	\$2,744,032	\$2,332,622	\$3,136,577	\$2,865,152
Transfer To Reserve	\$2,701,360	\$2,971,496	\$3,417,220	\$3,929,804	\$4,322,784	\$4,668,607	\$5,042,095	\$5,188,316	\$5,338,777	\$5,493,602
Investment Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projected Expenditures	-\$2,464,393	-\$3,844,680	-\$3,162,820	-\$4,800,848	-\$4,061,845	-\$4,329,840	-\$5,453,506	-\$4,384,360	-\$5,610,203	-\$5,468,391
EOY Reserve Balance	\$3,634,155	\$2,760,971	\$3,015,371	\$2,144,327	\$2,405,266	\$2,744,032	\$2,332,622	\$3,136,577	\$2,865,152	\$2,890,362
Threshold	\$2,000,000	\$2,045,800	\$2,092,649	\$2,140,570	\$2,189,590	\$2,239,731	\$2,291,021	\$2,343,485	\$2,397,151	\$2,452,046
Transfer Change +/- (%)	0.00%	10.00%	15.00%	15.00%	10.00%	8.00%	8.00%	2.90%	2.90%	2.90%
Investment Income Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Projected Expenditures: The inflation rate for future expenditures is compounded annually at: 2.29% Transfer Change: The % increase/decrease of the Reserve Transfer from previous year.
 Reserve Balance: All annual reserve account balances are end of year balances after deposits and expenditures. Deposits are not shown on this graph.
 Threshold: A minimum amount for Reserve Funds, indexed to inflation in future years. Current setting: \$2,000,000.00

Parkfairfax Condominium Unit Owners Association

Reserve Funding NAVIGATOR™



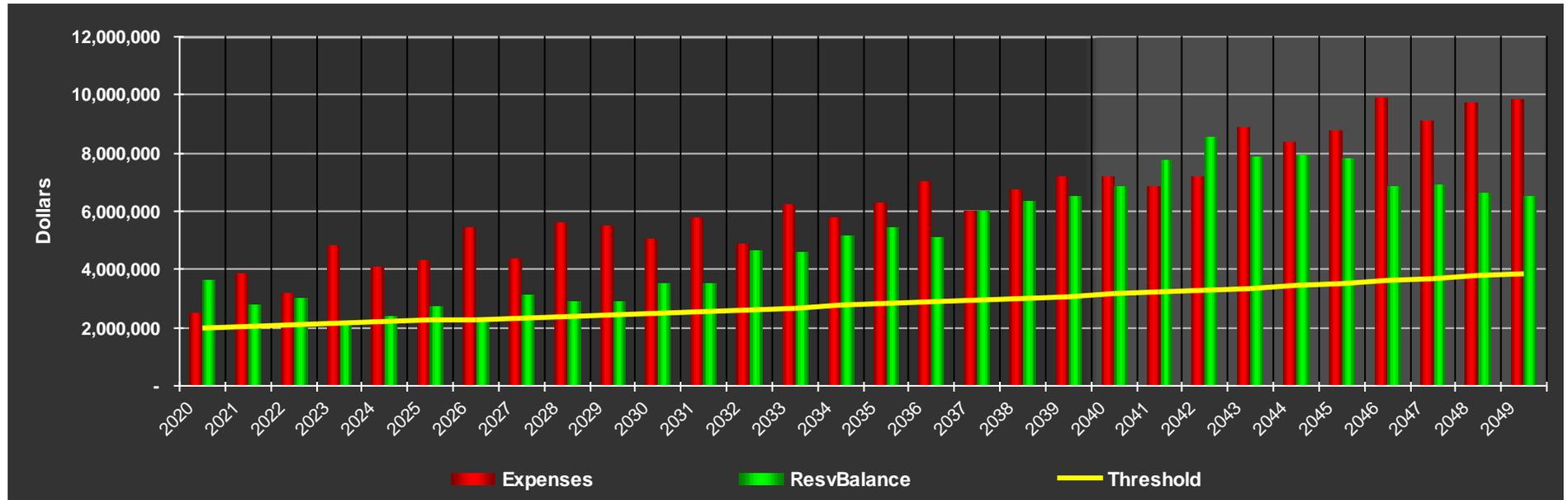
Cash Flow Summary

Years 11 - 20	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Beginning Balance	\$2,890,362	\$3,484,090	\$3,520,444	\$4,636,447	\$4,595,070	\$5,161,996	\$5,417,110	\$5,107,180	\$6,018,145	\$6,366,151
Transfer To Reserve	\$5,652,916	\$5,816,851	\$5,985,539	\$6,159,120	\$6,337,734	\$6,521,529	\$6,710,653	\$6,905,262	\$7,105,514	\$7,311,574
Investment Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projected Expenditures	-\$5,059,188	-\$5,780,496	-\$4,869,537	-\$6,200,497	-\$5,770,808	-\$6,266,415	-\$7,020,583	-\$5,994,297	-\$6,757,508	-\$7,167,079
EOY Reserve Balance	\$3,484,090	\$3,520,444	\$4,636,447	\$4,595,070	\$5,161,996	\$5,417,110	\$5,107,180	\$6,018,145	\$6,366,151	\$6,510,647
Threshold	\$2,508,198	\$2,565,636	\$2,624,389	\$2,684,487	\$2,745,962	\$2,808,844	\$2,873,167	\$2,938,962	\$3,006,265	\$3,075,108
Transfer Change +/- (%)	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Investment Income Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Projected Expenditures: The inflation rate for future expenditures is compounded annually at: 2.29% Transfer Change: The % increase/decrease of the Reserve Transfer from previous year.
 Reserve Balance: All annual reserve account balances are end of year balances after deposits and expenditures. Deposits are not shown on this graph.
 Threshold: A minimum amount for Reserve Funds, indexed to inflation in future years. Current setting: \$2,000,000.00

Parkfairfax Condominium Unit Owners Association

Reserve Funding NAVIGATOR™



Cash Flow Summary

Years 21 - 30	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Beginning Balance	\$6,510,647	\$6,849,937	\$7,759,715	\$8,541,223	\$7,864,569	\$7,916,873	\$7,826,325	\$6,849,441	\$6,921,894	\$6,638,384
Transfer To Reserve	\$7,523,610	\$7,741,795	\$7,966,307	\$8,197,330	\$8,435,052	\$8,679,669	\$8,931,379	\$9,190,389	\$9,456,910	\$9,731,161
Investment Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Projected Expenditures	-\$7,184,319	-\$6,832,016	-\$7,184,799	-\$8,873,984	-\$8,382,747	-\$8,770,217	-\$9,908,263	-\$9,117,936	-\$9,740,420	-\$9,832,760
EOY Reserve Balance	\$6,849,937	\$7,759,715	\$8,541,223	\$7,864,569	\$7,916,873	\$7,826,325	\$6,849,441	\$6,921,894	\$6,638,384	\$6,536,785
Threshold	\$3,145,528	\$3,217,561	\$3,291,243	\$3,366,612	\$3,443,708	\$3,522,569	\$3,603,235	\$3,685,750	\$3,770,153	\$3,856,490
Transfer Change +/- (%)	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Investment Income Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Projected Expenditures: The inflation rate for future expenditures is compounded annually at: 2.29% Transfer Change: The % increase/decrease of the Reserve Transfer from previous year.
 Reserve Balance: All annual reserve account balances are end of year balances after deposits and expenditures. Deposits are not shown on this graph.
 Threshold: A minimum amount for Reserve Funds, indexed to inflation in future years. Current setting: \$2,000,000.00

Parkfairfax Condominium Unit Owners Association

Assessment Allocation Model

Average Annual Assessment Allocation

Unit Type	Year	Operating *	Reserve	Special	TOTAL	No Units	Alloc %	Allocation	Per
Condominium	2020	\$6,351,981	\$2,701,360	\$0	\$9,053,341	1684	100.0%	\$5,376.09	Unit
	2021	\$6,351,981	\$2,971,496	\$0	\$9,323,477	1684	100.0%	\$5,536.51	Unit
	2022	\$6,351,981	\$3,417,220	\$0	\$9,769,201	1684	100.0%	\$5,801.19	Unit
	2023	\$6,351,981	\$3,929,804	\$0	\$10,281,785	1684	100.0%	\$6,105.57	Unit
	2024	\$6,351,981	\$4,322,784	\$0	\$10,674,765	1684	100.0%	\$6,338.93	Unit

Average Monthly Assessment Allocation

Unit Type	Year	Operating *	Reserve	Special	TOTAL	No Units	Alloc %	Allocation	Per
Condominium	2020	\$529,332	\$225,113	\$0	\$754,445	1684	100.0%	\$448.01	Unit
	2021	\$529,332	\$247,625	\$0	\$776,956	1684	100.0%	\$461.38	Unit
	2022	\$529,332	\$284,768	\$0	\$814,100	1684	100.0%	\$483.43	Unit
	2023	\$529,332	\$327,484	\$0	\$856,815	1684	100.0%	\$508.80	Unit
	2024	\$529,332	\$360,232	\$0	\$889,564	1684	100.0%	\$528.24	Unit

Yearly Change	Year	Operating *	Reserve	Special	TOTAL	Reserves as a % of Total	Annual Increase
	2020	\$6,351,981	\$2,701,360	\$0	\$9,053,341	29.84%	0.00%
	2021	\$6,351,981	\$2,971,496	\$0	\$9,323,477	31.87%	2.98%
	2022	\$6,351,981	\$3,417,220	\$0	\$9,769,201	34.98%	4.78%
	2023	\$6,351,981	\$3,929,804	\$0	\$10,281,785	38.22%	5.25%
	2024	\$6,351,981	\$4,322,784	\$0	\$10,674,765	40.50%	3.82%

* Operating budget is increased annually at the current Consumer Price Index of 0.00%

Parkfairfax Condominium Unit Owners Association

Schedule of Component Summary

Section	Section Name	Number of Components	Per Occurance Cost *	Replacement Cost **
1.01	Roof Replacement	285	\$18,788,144	\$27,802,054
1.02	Common Area Windows	11	\$116,394	\$178,024
1.03	Asbestos Abatement-crawlspaces	137	\$500,850	\$519,419
1.04	Rhino Guards	102	\$235,635	\$246,735
1.05	Laundry Room Doors	42	\$124,488	\$151,201
1.06	Cupola Replacement	20	\$29,238	\$49,029
1.07	Electric Meter Bases	285	\$796,121	\$1,213,351
1.08	Domestic Water (PEX) Pipe Replacement	122	\$1,251,000	\$1,337,166
1.09	Sanitary Sewer Lateral Lines	570	\$22,428,595	\$56,042,841
1.10	Water Heater Replacement	40	\$595,900	\$911,952
1.11	Heater Room Doors	40	\$118,560	\$485,602
1.12	Yearly Allowances - all buildings	23	\$2,107,693	\$88,515,089
2.01	Pool A	39	\$1,175,172	\$1,626,229
2.02	Pool B	36	\$876,321	\$1,347,437
2.03	Pool C	29	\$866,572	\$1,390,147
3.00	Recreation Areas	3	\$33,683	\$67,966
3.01	Tennis & Basketball Courts	10	\$352,219	\$572,074
3.02	Tennis Courts	9	\$335,893	\$568,045
3.03	Volleyball Courts	2	\$11,667	\$31,470
3.04	Tot Lot #1	5	\$23,683	\$108,084
3.05	Tot Lot #2	3	\$25,069	\$99,031
3.06	Tot Lot #3	3	\$15,013	\$58,206
3.07	Tot Lot #4	4	\$13,709	\$73,090
3.08	Tot Lot #5	3	\$26,762	\$109,915
3.09	Tot Lot #6	4	\$37,921	\$175,834
3.10	Tot Lot #7	4	\$22,682	\$99,253
3.11	Tot Lot #8	4	\$19,617	\$86,642
3.12	Tot Lot #9	4	\$26,185	\$117,294
3.13	Tot Lot Site Furniture	2	\$27,010	\$31,811

Parkfairfax Condominium Unit Owners Association

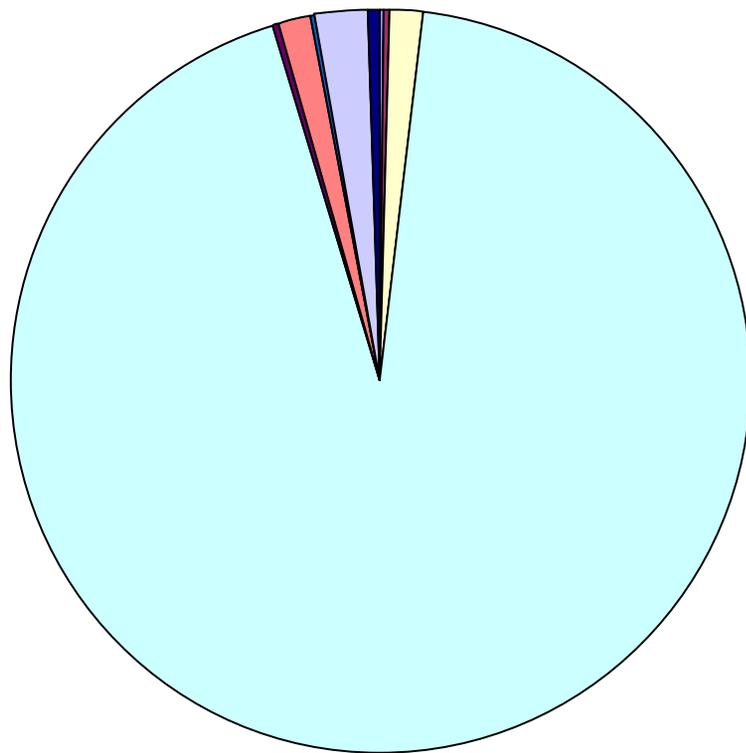
3.14	Fitness Center	34	\$225,754	\$335,992
3.15	Social Room	14	\$164,165	\$248,732
4.00	Roads and Flatwork	40	\$896,069	\$2,356,050
5.00	Maintenance Yard/Buildings	24	\$386,848	\$503,337
6.01	Signage	6	\$41,142	\$77,041
6.02	Fencing	9	\$240,840	\$272,419
6.03	Stair/Site/Wall Railings	3	\$39,553	\$134,922
7.00	Retaining Walls	3	\$101,890	\$867,630
8.00	Vehicles	16	\$391,860	\$1,046,064
9.00	Administrative Offices	16	\$285,725	\$437,575
Totals		2006	\$53,755,640	\$190,294,755

* Current replacement cost of all components (in today's dollars). This includes components with an effective life beyond the time frame of this analysis.

** Projected inflation adjusted replacement cost of all components within the timeframe of this analysis.

Parkfairfax Condominium Unit Owners Association

Total Replacement Cost by Section



- Administrative Offices
- Maintenance Yard/Buildings
- Recreation Areas
- Residential Buildings
- Retaining Walls
- Roads and Flatwork
- Signage and Sitewide components
- Swimming Pools
- Vehicles

Parkfairfax Condominium Unit Owners Association

**STANDARDS, LIMITATIONS, CONDITIONS
DISCLOSURE AND LEGAL RESTRICTIONS****STUDY STANDARDS**

This study was conducted in accordance with the Community Associations Institute National Reserve Study Standards. A summary of the standards is contained in our information article entitled "National Standards" which is included in the Appendix.

The data and analysis information that forms a part of this report contains proprietary programming and program coding that is not available for distribution to outside parties. Copies of the data and analysis have been made available in Adobe's Portable Document Format and included as part of this report. Upon request, component information can also be provided in Excel format for easier viewing and navigating through the data.

STUDY LIMITATIONS AND CONDITIONS

- 1 No destructive testing, lab analysis or other investigative methods were used to determine the condition of the components. Due to these limitations, as set forth in the reserve study guidelines that we subscribe to, the limited visual observations that were made are not sufficient to be considered a qualified architectural or engineering assessment of the state or condition of the components.
- 2 All common areas on the property were observed unless access was limited or not made available to us at the time of the inspection. The observations and opinions expressed herein with regard to the useful life of the components are based on our general professional knowledge of construction and our knowledge of the typical replacement experience of many communities and other entities with the same component types.
- 3 The inventory included taking field measurements, measurements from aerial and satellite imagery, digitized measurement over photo imagery and takeoffs and measurements from design and as-built drawings as there were deemed to be reliable. In the case of a Level II Update the quantities provided by the Client from previous studies was utilized when it was deemed to be reliable and accurate. In the case of a Level III Update all inventory data from previous studies provided by the Client was deemed accurate and reliable.
- 4 Our projections of remaining useful life are not architectural or engineering recommendations for executing specific projects. As the end of the remaining useful life approaches, as set forth in this study, the association should seek professional architectural, engineering, contractor, service providers or qualified product manufacturer or supplier assistance, as appropriate, and as to the need for and the scheduling of each specific replacement project. Particularly those of any significant magnitude.
- 5 An asset can be made up of several components that need to be maintained, repaired and replaced. Other elements of the asset may be considered permanent with respect to the asset. The schedule of components provided herein, is based upon information received from the client regarding the common elements and/or assets that the client is responsible for. It is the client's responsibility to verify that the schedule of components is complete.
- 6 Financial information including the present fund balance, interest from funds on deposit, and recent capital expenditures, were provided by the Client and are deemed reliable and complete by DMA Reserves, Inc.
- 7 Information provided by the Association about prior reserve replacement projects is considered to be reliable and complete. No inspection by DMA Reserves, Inc. should be interpreted as a project audit or quality inspection.
- 8 Industry Life Expectancy is based on printed product literature, product or material warranties, industry standards literature, and on the opinions of manufacturers, installers, or maintenance contractors based on their experience with these products and materials.

Parkfairfax Condominium Unit Owners Association

- 9 Unit prices are based on published unit price standards such as R. S. Means "Residential Cost Data", Facilities Maintenance and Repair Cost Data, and "Facilities Construction Cost Data", latest editions, and on pricing obtained from contractors, installers, or manufacturers. All prices are given in present dollars unless noted otherwise. Prices listed are not guaranteed as exact quotes for work included.
- 10 This analysis incorporates assumptions about the future rate of inflation, and the future interest income on your account deposits. If significant changes occur in either of these rates, this calculation should be re-run with current information.
- 11 The results of this analysis are predicated on your contributing the recommended amount in each previous year and on expenses occurring generally as predicted. This Reserve Study can be updated as a Level III study every year up to 4 years from the original study date, and should be updated with a Level II study or replaced with a new Level I study every 3 to 5 years, which may depend on statutory requirements, to correct for normal variations.
- 12 DMA's Capital Replacement Reserve Studies are designed to be used as planning tools. They are a reflection of information provided by the Client and our analytical inputs, and are assembled for the Client's use. This reserve study should not be used for the purpose of performing an audit, quality/forensic analysis, or for background checks of historical records.

DISCLOSURE

DMA does not have any financial interest in this community or facility, its management company or any vendor mentioned or used in this study beyond this work. This study represents all facts known to DMA at the time of its preparation that if purposefully omitted would cause a distortion of the Client's situation regarding its capital reserve plan.

LEGAL RESTRICTIONS ON USE OF THIS INFORMATION

Ownership of Reports, Electronic Files, Data, Media, Software Programs and Other Related Materials: Reports, electronic files, media, and software programs are instruments of professional service and the intellectual property of DMA Reserves Inc., and where appropriate, shall be protected and copyrighted under the laws of the United States with all rights reserved. The Client and their authorized representative or agent are entitled to use these documents in connection with this project. This use may include distribution of DMA reports including electronic files to membership, including publication on private member access portions of client's website. Client may also share DMA reports with Client's accountants, auditors, and bankers, and may include DMA reports in required disclosures to buyers or prospective members in accordance with governing statutes. DMA reports, electronic files, data, media, software programs, written and electronic communications relative to this project, may NOT be shared with or distributed to ANY THIRD PARTIES not defined above without the express written consent of DMA Reserves Inc.

Use of Electronic Files, Media, Software and Programs: DMA may transmit these documents as electronic files. DMA shall not be responsible for any viruses that may be transmitted with the electronic files, media, software or programs furnished to the Client. DMA shall not be responsible for any data erosion, erasure, alteration or failure of electronic files, media, software or programs that may occur at the time of transmission or over time. DMA makes no warranty as to the compatibility of the electronic files, media, software or programs with any operating system or programs.